

DRAFT

Approved For Release 2002/01/30 : CIA-RDP80-00473A000100050013-6

6 Oct 1975

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SUBJECT: Summary DD/A Position With Regard to Audit by the General Accounting Office

1. The several offices comprising the Directorate for Administration have submitted individual reaction papers regarding the prospective audit of the Agency by the GAO, and have specified those areas of data or activity which they feel should ultimately be exempted from GAO and audit.

2. A consensus of Office opinions as expressed in these papers is that those services or facilities provided by the DD/A which are common to all departments and agencies of the government and are responsive to laws or regulations governing these activities throughout the government could be made available for unrestricted audit, within the Agency, provided that the audit would honor specific laws or professional ethics for protection of individual rights or certain sensitive equipment and procedures.

3. Areas which the Offices wish to exempt from external audit, under any circumstance or agreement, relate primarily to services performed by the offices for other Directorates. In the Offices of Joint Computer Services and Communications these services were so broad that the Offices deferred any decision on audit restrictions to the responsible Directorates. The Offices of Finance, Logistics, Medical Services, Personnel, Security and Training identified specific areas for exemption. These indicate concern with disclosure of true identities of individuals, organizations, facilities or techniques

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which could violate the privacy of, or cause physical danger to employee or agent personnel, or jeopardize past, present or future intelligence operations. Examples of such areas by Office are attached as Tab A.

4. In summary it appears that the position of the DD/A with regard to access afforded GAO auditors, regardless of clearance or agreement, should be that GAO may perform full phase audits of DD/A activities within the Agency; but that access to true name identities, or information which might allow derivation of true name identities of staff, contract, or field agents; organizations; facilities; or techniques or any other information which might divulge or allow derivation of the nature and location of past, present or future covert operations would be normally unavailable and could be released only on approval of the DD/A after demonstrated need for such information to satisfy audit requirements.

5. Specific requests for true name data and details of sensitive techniques and procedures, originating with GAO auditors, could perhaps be reviewed by a panel similar to the present Review Staff which would be advisory to the DD/A. This panel should include high level representation from Audit Staff and the Office of Finance to permit professional evaluation of the relative importance of the data to the achievement of audit objectives.

6. Notwithstanding the degree to which true name data and details of sensitive techniques and procedures might ultimately be divulged to GAO auditors, there would necessarily need to be restrictions that would impact on external investigative/confirmatory techniques customarily

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observed by auditors. Those restrictions can be generally characterized as precluding external pursuit, except with other U.S. Government agencies, of any audit trail, confirmation of any transaction or investigation of attainment of any programs objective that would result in the compromise of the transaction or program objective.

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21 AUG 1975

MEMORANDUM FOR: Chairman, GAO Task Force

SUBJECT : Potential GAO Audit of Agency Programs

Assuming fully cleared auditors, this Office would have no restrictions upon any of its exclusive activities. We would, of course, have to be bound by restrictions identified by the DD/O and the DD/S&T for those activities of theirs which we support.

STATINTL


Director of Communications